

Message Text

CONFIDENTIAL

PAGE 01 BAGHDA 00166 021210 Z

47

ACTION NEA-12

INFO OCT-01 EUR-25 ADP-00 CIAE-00 DODE-00 PM-09 H-02

INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-14

USIA-12 OMB-01 TRSE-00 AID-20 EB-11 COME-00 INT-08

OPIC-12 RSR-01 CIEP-02 SCEM-02 /160 W
----- 082456

R 310830 Z MAR 73

FM USINT BAGHDAD

TO SECSTATE WASHDC 247

INFO AMEMBASSY BEIRUT

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY MOSCOW

AMEMBASSY TEHRAN

AMEMBASSY THE HAGUE

C O N F I D E N T I A L BAGHDAD 0166

E. O. 11652: GDS

TAGS: ENRG, IZ

SUBJECT: BPC EXPANSION PLANS

1. IPC EXECUTIVE DIRECTOR FOR PRODUCTION GEORGE WEPSALA IS ON TWO WEEK VISIT TO IRAQ TO MAP OUT PLANS FOR EXPANSION OF BPC PRODUCTION FROM 34 MTA TO 80 MTS BY 1975 (I. E. ONE MILLION B/D INCREASE). WEPSALA ESTIMATES COST OF THIS EXPANSION WILL BE 49 MILLION POUNDS STERLING. HE IS CONFIDENT IT CAN BE DONE IF IRAQIS LIVE UP TO COMMITMENTS CONTAINED IN ONE SIDE- LETTERS TO FACILITATE GRANTING OF VISAS, WORK PERMITS, IMPORT PERMITS, ETC. FOR BPC CONTRACTORS. WEPSALA SAID BPC AND HE PERSONALLY WANTED TO DEMONSTRATE SUPERIORITY OF WESTERN TECHNOLOGY OVER RUSSIAN AND HE WAS PREPARING TO DRILL WELLS IN THIRTY DAYS THAT HAVE TAKEN RUSSIANS THREE OR FOUR MONTHS. BPC IS IN CONTACT WITH NUMEROUS COMPETING CONTRACTORS, INCLUDING MANY AMERICAN ONES. CONTRACTORS ARE INTERESTED IN IRAQ NOT ONLY BECAUSE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BAGHDA 00166 021210 Z

THIS IS A MAJOR EXPANSION PROJECT, BUT GREAT POTENTIAL FOR FUTURE WORK.

2. WITH REGARD TO RISK INVOLVED FOR BPC' S NEW INVESTMENT, WEPSALA SAID CAPITAL COST OF PRODUCING THIS QUANTITY OF OIL IS LOWEST IN AREA, PERHAPS IN WORLD. FURTHERMORE, ALTHOUGH BPC WILL SOON BEGIN PLACING ORDERS FOR EQUIPMENT, INVESTMENTS INSIDE RPT INSIDE IRAQ WILL BE MINIMAL UNTIL LATTER PART OF 1974 AT WHICH TIME ALMOST ALL CAPITAL EQUIPMENT WILL COME INTO IRAQ IN VERY SHORT PERIOD. FOLLOWING MONTHS ARE PERIOD OF MAXIMUM RISK, BUT ACCORDING TO WEPSALA, PAY OFF ON INVESTMENT WILL TAKE PLACE IN NINE MONTHS. THEREFORE, ALL BPC NEEDS IS NINE MONTHS OF STABILITY DURING 1975.

3. RE NORTH- SOUTH PIPELINE, WEPSALA BELIEVES IT MAKES ECONOMIC SENSE ONLY IF NEW MAJOR FIELD IS DISCOVERED IN NORTH. KURKUK FIELD, WHOSE PRODUCTION HAS LEVELLED OFF AND WILL BEGIN DECLINING IN SIX YEARS, IS NOT LARGE ENOUGH TO WARRANT INVESTMENT IN NEW PIPELINE. POSSIBILITY EXISTS THAT IRAQIS WILL GO AHEAD FOR POLITICAL REASONS.
LOWRIE

CONFIDENTIAL

*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 31 MAR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973BAGHDA00166
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: n/a
Film Number: n/a
From: BAGHDAD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730343/aaaainem.tel
Line Count: 90
Locator: TEXT ON-LINE
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 03 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03-Aug-2001 by worrelsw>; APPROVED <10-Jan-2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> srp 980113
Subject: BPC EXPANSION PLANS
TAGS: ENRG, IZ
To: NEA
SECSTATE WASHDC INFO BEIRUT
KUWAIT
LONDON
MULTIPLE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

